

magcorp®

MAGNESIUM CORPORATION OF AMERICA

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RECEIVED

NOV 13 2001

DIVISION OF
OIL, GAS AND MINING

m/45/022

m/45/008

November 9, 2001

D. Wayne Hedberg
Permit Supervisor

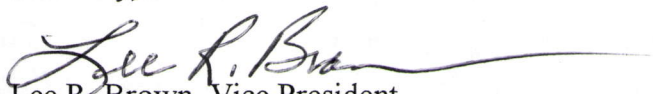
Minerals Regulatory Program
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801

RE: Response to September 4, 2001 Notification of Suspension of Operations, Knolls
M/045/022&m/045/008.

Dear Mr. Hedberg,

Both the Knolls facility and the Rowley facility are in operation and remain ready to serve Magcorp's needs. No plans are currently underway to do reclamation at either facility. Should reclamation become necessary Magcorp will adhere to the current reclamation contracts in effect, which were given to you in July of 1990. As you have noted in your letter Magcorp is in a Chapter 11 Bankruptcy filing and we are attempting to do a re-organization plan to allow the company to continue. Any assistance your division may provide in this endeavor will be welcome.

Sincerely,



Lee R. Brown, Vice President
Magnesium Corporation of America

Cc: Lowell Braxton
Mary Ann Wright

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